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Stamp & Return

LNGS

LUKAS,
NACE,
GUTIERREZ
& SACHS, LLP

US BANK/FCC JUN 19 2014

June 18, 2014

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Attn: Jodie May, Competition Policy Division
Wireline Competition Bureau

Re: Joint Application for Assignment of Domestic and International Section
214 Authorizations from MegaGate Broadband, Inc. to Cellular South,
Inc.

Dear Ms. Dortch:

Transmitted herewith is a Joint Application for assignment of Domestic and International Section 214 Authorizations from MegaGate Broadband, Inc. to Cellular South, Inc.

The applicants request streamlined processing of this application. A fee transmittal form, FCC Form 159, is submitted with the application showing payment of a filing fee of \$1,050.00.

This application is also being filed electronically in the IBFS filing system for processing by the International Bureau. A separate filing fee will be paid with that submission.

Should any questions arise with regard to this matter, please communicate directly with this office.

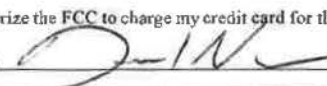
Very truly yours,



David L. Nace

Cc: Jodie May (FCC, by email)
Tracey Wilson (FCC, by email)
Myrva Charles (FCC, by email)
Dennis Johnson (FCC, by email)

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

(1) LOCKBOX # 979091		SPECIAL USE ONLY FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Lukas, Nace, Gutierrez & Sachs, LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,050.00	
(4) STREET ADDRESS LINE NO. 1 8300 Greensboro Drive			
(5) STREET ADDRESS LINE NO. 2 Suite 1200			
(6) CITY McLean		(7) STATE VA	(8) ZIP CODE 22102
(9) DAYTIME TELEPHONE NUMBER (include area code) 703-584-8678		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0003746385		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME MegaGate Broadband, Inc.			
(14) STREET ADDRESS LINE NO. 1 6184 Highway 98 West			
(15) STREET ADDRESS LINE NO. 2 Suite 200			
(16) CITY Hattiesburg		(17) STATE MS	(18) ZIP CODE 39402
(19) DAYTIME TELEPHONE NUMBER (include area code) 601-450-7575		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0010267847		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID Section 214 Authorization	(24A) PAYMENT TYPE CODE CDT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$1,050.00	(27A) TOTAL FEE \$1,050.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE _____		DATE _____	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA <u>X</u> AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE 		DATE <u>06/18/2014</u>	

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
MEGAGATE BROADBAND, INC.)	
(FRN 0010267847))	
)	
Section 214 Authorization Holder and Assignor)	
)	
And)	
)	
CELLULAR SOUTH, INC.)	
(FRN 0001746221))	WC Docket No. _____
)	
Assignee)	
)	
Joint Application for Assignment of)	
Domestic and International Section 214)	File No. ITC- _____
Telecommunications Authorizations)	

JOINT APPLICATION

MegaGate Broadband, Inc. ("MegaGate" or "Assignor" and Cellular South, Inc. ("CSI" or "Assignee"), hereby request approval of the Federal Communications Commission ("Commission") pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. §214, and Sections 1.763, 63.03, 63.04, 63.18, 63.24(b) and 63.24(e) of the Commission's rules, 47 C.F.R. §§1.763, 63.03, 63.04, 63.18, 63.24(b) and 63.24(e), to assign Section 214 authorizations from MegaGate to CSI. The parties are jointly referred to herein as the "Applicants."

I. Combined Application to Assign Domestic and International Section 214 Authorizations

Under Section 63.04(b) of the Commission's rules, the Applicants are filing a combined domestic and international application for assignment of the Section 214 authorizations held by Assignor to Assignee.

This application qualifies for streamlined processing under applicable rules.

II. Applicants

A. MegaGate Broadband, Inc.

MegaGate is a Mississippi corporation whose address is 6184 Highway 98 West, Suite 200, Hattiesburg, Mississippi 39402. MegaGate is authorized by the Mississippi Public Service Commission to provide telecommunications service as a competitive local exchange carrier ("CLEC") in the state of Mississippi.

B. Cellular South, Inc.

CSI is a Mississippi corporation whose address is 1018 Highland Colony Parkway, Suite 300, Ridgeland, Mississippi 39157. CSI provides a variety of services under the name "C Spire" in Mississippi and in portions of Tennessee, Alabama and Florida.

CSI is wholly owned by Telapex, Inc., a privately held company also organized under the laws of Mississippi and with the same address as CSI. Details of ownership appear in Section V(h) of this application. The operations of CSI are led by experienced telecommunications executives.

CSI, through its radio license holding subsidiary Cellular South Licenses, LLC, provides wireless service in areas in which MegaGate provides CLEC services. CSI also sells hosted IP telephony services in the same areas.

III. Description of the Transaction

MegaGate and CSI have entered into an Asset Purchase Agreement (“Agreement”) whereby CSI will acquire assets and licenses held by MegaGate (the “Transaction”). Consummation of the Transaction is contingent upon receipt of Commission approval and all other necessary approvals.

MegaGate is a CLEC that also provides hosted VoIP communications services primarily in the vicinity of Hattiesburg, Mississippi. MegaGate also offers and delivers cloud-based telephony, hosted PBX, data, security, email and collaboration services.

Following closing (1) CSI intends to continue most services currently provided by MegaGate; and (2) CSI will operate as a provider of resold interstate interexchange and international services in the markets currently served.

IV. Public Interest Statement

The Transaction furthers the public interest, convenience and necessity. MegaGate provides CLEC service to approximately 11,500 subscriber lines, primarily in Mississippi. CSI will continue to provide current MegaGate customers with resold interstate interexchange and international services.

CSI possesses the requisite financial and managerial resources to maintain and improve the services provided by MegaGate.

A. Continued Provision of High-Quality Service is Ensured

As indicated, following the Transaction, CSI will operate as a CLEC providing local exchange as well as resold interstate interexchange and international service to customers. CSI will bring greater financial resources to the MegaGate operations.

Customers of MegaGate will be notified of the Transaction as required by the applicable state and federal laws and regulations.

B. No Anti-Competitive Issues are Present

The Transaction does not present any anti-competitive issues. MegaGate's total market share, combined with that of equity owners of CSI, is less than ten percent (10%) of the interstate interexchange and international telecommunications markets. There are many other interexchange carriers operating in Mississippi areas where Megagate currently markets its CLEC services.

In summary, the Transaction has no potential to harm the public interest and is expected to preserve and increase competition in the domestic and international telecommunications markets.

V. Information Required by Section 63.24(e) of the Commission's Rules for a Transfer of Control Section 214 Authorizations

In furtherance of this application the Applicants submit the specific information pursuant to Section 63.24(e) of the Commission's rules. The following paragraphs refer to Sections (a) through (d), and (h) through (p), of Section 63.18.

- (a) Name, address and telephone number of Applicants:

214 Holder:

MegaGate Broadband, Inc.
6184 Highway 98 West, Suite 200
Hattiesburg, Mississippi 39402
Attn: Kevin B. Pack, CEO
Tel: 601-450-7575

Assignee:

Cellular South, Inc.
1018 Highland Colony Parkway, Suite 300
Ridgeland, Mississippi 39157
Attn: Benjamin C. Pace, CFO
Tel: (601) 355-1522

(b) MegaGate is a corporation organized under the laws of Mississippi. CSI is a corporation organized under the laws of Mississippi.

(c) Correspondence concerning this application should be sent to:

For the Assignor:

MegaGate Broadband, Inc.
6184 Highway 98 West, Suite 200
Hattiesburg, Mississippi 39402
Attn: Kevin B. Pack, CEO
Tel: 601-450-7575

With copies to:

MegaGate Broadband, Inc.
1176 Coconut Road
Boca Raton, FL 33432
Attn: N. Eric Jorgensen

and to:

Brian A. Montague, Esq.
25 Town Center Square
Hattiesburg, MS 39402

For the Assignee:

Cellular South, Inc.
1018 Highland Colony Parkway, Suite 300
Ridgeland, Mississippi 39157
Attn: Benjamin C. Pace, CFO
E-mail: bpace@cspire.com

With copies to:

David L. Nace, Esq.
Lukas, Nace, Gutierrez & Sachs, LLP
8300 Greensboro Drive, Suite 1200
McLean, VA 22102
Tel: 703-584-8661
Email: dnace@fcclaw.com

and to:

W. Ken Rogers, Esq.
Brunini, Grantham, Grower & Hewes, PLLC
190 E. Capitol Street, Suite 100
Jackson, MS 39157
Tel: 601-960-6902
E-mail: krogers@brunini.com

(d) (i) MegaGate provides international telecommunications under Section 214 authorization for global resale in File No. ITC-214-19980630-00447. MegaGate holds blanket domestic Section 214 authority to provide domestic telecommunications services.

(ii) CSI provides services under the trade name C Spire.¹ CSI provides international telecommunications under Section 214 authorizations for global resale in File Nos. ITC-214-19970212-00083 and ITC-214-19970212-00084.² CSI holds blanket domestic Section 214 authority to provide domestic telecommunications services.

(h) CSI is wholly owned by Telapex, Inc., a Mississippi corporation. The following hold a ten percent (10%) or greater attributable interest in Telapex, Inc.:

Telapex, Inc. Employee Stock Ownership Plan
FRN 0008519506
Organized under Mississippi law and owns 13.7972% of Telapex, Inc.
through voting common stock; and

James H. Creekmore, Sr.
FRN 0008519530
A United States citizen who owns 11.9827% of Telapex, Inc.
through voting common stock.

The address of each of the above-named Telapex, Inc. stockholders is 1018 Highland Colony Parkway, Suite 700, Ridgeland, MS 39157.

¹ The radio licenses utilized to provide C Spire wireless service are held by CSI's wholly owned subsidiary, Cellular South Licenses, LLC.

² The international Section 214 authorizations held by CSI were originally granted in 1997 to Cellular Holding, Inc. which later changed its name to Telepak, Inc. (*See* Public Notice, Report No. TEL-00360, March 1, 2001.) By letter filed with the Commission dated January 4, 2011, CSI provided notice that Telepak, Inc. had changed its name to Cellular South, Inc.

Telapex, Inc. Employee Stock Ownership Plan ("Telapex ESOP") is a defined contribution plan whose sole trustee is Trustmark National Bank Trust Department, 248 East Capitol Street, Jackson, MS 39205. Trustmark National Bank is a national bank organized under the laws of the United States. There are no ten percent or greater interest holders of Telapex ESOP. There are numerous beneficiaries of the Telapex ESOP, none of which hold as much as a ten percent interest. The plan is organized to benefit employees of Telapex, Inc. and its subsidiaries.

Other stockholders of Telapex, Inc. own interests of less than 10% each, although there are familial relationships among the stockholders. The following stockholders are identified because of those familial relationships:

Wade H. Creekmore, Jr. is a United States citizen who owns 6.2096% of Telapex, Inc. through voting common stock;

Betsy S. Creekmore is a United States citizen who owns 5.2406% of Telapex, Inc. through voting common stock;

Meredith W. Creekmore is a United States citizen who owns 5.7217% of Telapex, Inc. through voting common stock;

Ashley C. Meena is a United States citizen who owns 7.9250% of Telapex, Inc. through voting common stock;

Victor H. (Hu) Meena (FRN 0019102953), the President, Chief Executive Officer and controlling individual of CSI, is a United States citizen who owns 0.4751% of Telapex, Inc. through voting common stock. Mr. Meena's telephone number is 601-355-1522 and his email address is hmeena@cspire.com;

Elizabeth C. Byrd is a United States citizen who owns 8.4000% of Telapex, Inc. through voting common stock;

Sidney C. Crews is a United States citizen who owns 7.9250% of Telapex, Inc. through voting common stock;

Holt J. Crews is a United States citizen who owns 0.4751% of Telapex, Inc. through voting common stock;

Dolly C. Goings is a United States citizen who owns 8.4705% of Telapex, Inc. through voting common stock;

Wesley Goings is a United States citizen who owns 0.2547% of Telapex, Inc. through voting common stock;

James H. Creekmore, Jr. is a United States citizen who owns 9.8118% of Telapex, Inc. through voting common stock;

Elizabeth Creekmore is a United States citizen who owns 0.0236% of Telapex, Inc. through voting common stock; and

Victor M. Meena is a United States citizen who owns 0.0103% of Telapex, Inc. through voting common stock.

In addition, 11 minor children of various stockholders listed above are the beneficiaries, through trusts, of stock interests totaling approximately 1.8424%.

A mailing address for all listed stockholders is 1018 Highland Colony Parkway, Suite 700, Ridgeland, MS 39157.

The familial relationships among the above-listed individuals are as follows:

Wade H. Creekmore, Jr. is the spouse of Betsy S. Creekmore;

James H. Creekmore, Sr. is the spouse of Meredith W. Creekmore;

Ashley C. Meena is the spouse of Victor H. (Hu) Meena; Ashley is the daughter of Wade and Betsy Creekmore;

Sidney C. Crews is the spouse of J. Holt Crews; Sidney is the daughter of Wade and Betsy Creekmore;

Dolly C. Goings is the spouse of Wesley Goings; Dolly is the daughter of James H. Creekmore, Sr. and Meredith Creekmore;

James H. Creekmore, Jr. is the spouse of Elizabeth Creekmore; James H. Creekmore, Jr. is the son of James H. Creekmore, Sr. and Meredith Creekmore;

Elizabeth C. Byrd is the daughter of Wade and Betsy Creekmore; and

Victor M. Meena is the son of Ashley and Hu Meena.

Section 63.18(h) also calls for disclosure of any interlocking directorates with a foreign carrier. CSI and its affiliates have no interlocking directorates with a foreign carrier.

(i) Section 63.18(i) calls for a certification as to whether or not the applicant is, or is affiliated with, a foreign carrier. CSI hereby certifies that it is not a foreign carrier and that it is not affiliated with a foreign carrier.

(j) Section 63.18(j) calls for a certification as to whether or not the applicant seeks to provide international telecommunications services to any destination country for which any of the following is true:

(1) *The applicant is a foreign carrier in that country.* CSI hereby certifies that it is not a foreign carrier in any destination country.

(2) *The applicant controls a foreign carrier in that country.* CSI hereby certifies that it does not control a foreign carrier in any destination country.

(3) *Any entity that owns more than 25 percent of the applicant, or that controls the applicant, controls a foreign carrier in that country.* CSI hereby certifies that no entity that controls a foreign carrier in any destination country owns more than 25 percent of CSI.

(4) *Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the applicant and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States.* CSI hereby certifies that the foregoing statement is not true as relating to CSI.

(k) Section 63.18(k) calls for one of certain showings by the applicant for any destination country listed by the applicant in response to paragraph (j). Based upon CSI's certifications in response to Section 63.18(j), no showing is required of CSI in response to Section 63.18(j).

(l) In response to Section 63.18(l), CSI does not propose to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country where it is a foreign carrier or is affiliated with a foreign carrier.

(m) CSI hereby responds to Section 63.10(m) by confirming that it is not a foreign carrier, and that it is not affiliated with a foreign carrier. CSI satisfies the requirements of Section 63.10(a)(1) to be presumptively classified as “non-dominant” for the provision of international communications services.

(n) CSI certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) With reference to §§ 1.2001 through 1.2003 of the Commission’s rules, Applicants certify that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. 853a.

(p) Applicants request streamlined processing of this application pursuant to Section 63.03(b)(2)(ii) of the Commission’s Rules. MegaGate is a CLEC and is therefore classified as a non-dominant service provider. Consummation of the proposed transaction would result in a market share in the interstate, interexchange market of less than 10% among CSI and all other CSI affiliates. Similarly, the local exchange affiliates of CSI would have, collectively, fewer than 2%

of the subscriber lines installed in the aggregate nationwide.³ Finally, the transaction would result in no new overlapping or adjacent local service areas.

VI. Additional Information Required by Section 63.04(b) of the Commission's Rules or Assignment/Transfer of Control

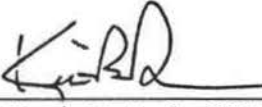
In response to requirements of Section 63.04(b) of the Commission's rules, the additional information required by Sections 63.04(a)(6) through 63.04(a)(12) is provided in Exhibit A to this application.

VII. Conclusion

In view of the foregoing, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this application.


Respectfully submitted,

MEGAGATE BROADBAND, INC.

By: 
Kevin B. Pack, CEO

Date: June 17, 2014

CELLULAR SOUTH, INC.

By: 
Benjamin C. Pace, Chief Financial Officer

Date: 6/18/2014

³ CSI acquired Callis Communications, Inc. ("Callis"), a CLEC based in Mobile, Alabama, in February 2014. Callis holds international Section 214 authorization under File No. ITC-214-20051216-00504. Transfer of control authorization for the Callis acquisition was granted in File No. ITC-T/C-20131211-00331 and in WC Docket 13-303. The controlling company of CSI, Telapex, Inc., also controls two incumbent local exchange carriers in the state of Mississippi: Franklin Telephone Company, Inc. ("Franklin") and Delta Telephone Company, Inc. ("Delta"). CSI's affiliate, Telepak Networks, Inc., offers CLEC service in areas where MegaGate currently offers CLEC service. As mentioned, MegaGate is a CLEC based in Hattiesburg, MS. MegaGate does not provide CLEC service to any customers in the local exchange areas of Franklin or Delta, and CSI has no plans to market CLEC services in the local exchange areas of Franklin or Delta.

Exhibit A

Information Required by Sections 63.04(a)(6) through 63.04(a)(12)

Pursuant to Section 63.04(b) of the Commission's rules, Applicants provide the following information in connection with the proposed transfer of control:

§63.04(a)(6) – Description of the Transaction

The Transaction is summarized in Section III of the Application.

§63.04(a)(7) – Description of the Geographic Service Area and Services in Each Area

Descriptions of the geographic service areas and the services provided in each area are provided in Section II.A. and Section II.B. of the Application.

§63.04(a)(8) – Presumption of Non-Dominance and Qualification for Streamlining

Applicants request streamlined processing of this application. See Section V(p) above.

§63.04(a)(9) – Other Pending Commission Applications Concerning the Subject Transaction

In a separate application filed on the appropriate FCC Form, Applicants request consent to transfer control of common carrier microwave licenses and one license in the 3650-3700 radio service.

§63.04(a)(10) – Special Considerations

None

§63.04(a)(11) – Waiver Requests

None

§63.04(a)(12) – Public Interest Statement

The Transaction is in the public interest for the reasons stated in Section IV of the Application.